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Wage Control and Inflation in the Soviet Bloc Countries by Jan Adam
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control agencies and interviews with people's control personnel over several years from 1966–75. Although she believes that public participation in Soviet society will continue to be party-guided, its expansion could ultimately lead, she suggests, to further attenuation of the authoritarian model and a greater measure of self-management in Soviet society. A challenging and thoughtful work, this study is one of several recent Western investigations of public involvement in Soviet institutions which deserve the careful attention of all students of Soviet affairs.

London W. E. BUTLER

Adam, Jan. *Wage Control and Inflation in the Soviet Bloc Countries*. Macmillan, London, 1979. xx + 243 pp. Bibliography. Notes. Tables. Index. £15.00.

THIS is at once a thought-provoking and a frustrating book. Professor Adam has an interesting topic: the mechanisms used in Soviet-type economies to control inflation. He has much to say that merits thought and further investigation by economists. But, after having read his book, the reader remains confused, is unaware of the structure of the problem under discussion and the key differences in the approach to control adopted by planners in the different East European countries.

Wages in a Soviet-type economy serve two functions: since they constitute the lion's share of personal income for most families, the level and structure of wages largely determine living standards; since governments are unwilling, for the most part, to resort to the administrative direction of labour, wages and wage differentials must generate an allocation of labour that will secure plan fulfilment. Thus wages policy in a Soviet-type economy has three objectives — equity, efficiency and equilibrium. Wage structures must conform to the government's distributional goals, they must encourage the optimal utilization of resources and they should result in levels of money income that correspond to the value of goods and services made available for personal consumption. Professor Adam is primarily concerned with the third of these and with possible conflicts between the institutions employed to secure macro-economic equilibrium and economic efficiency.

The historical record shows both that this is a real problem in Soviet-type economies and that different countries' efforts at control have met with varying degrees of success. For example, between 1932 and 1940 the Soviet retail price index increased by 23.5 per cent per annum; since the middle 1950s it has been virtually constant. On the other hand, between 1956 and 1975 retail prices in Poland increased by some 2–2.5 per cent per year. Professor Adam describes at some length the differences between the Polish and Soviet approaches (and, incidentally, he also deals with Hungary, Czechoslovakia and the G.D.R.) but I remain unable to say which particular features of the institutions adopted in the two countries are responsible for the differences in experience given above.

The problem, I think, lies partly in Professor Adam's failure to provide an explicit formal macro-economic model of a Soviet-type economy and

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partly in his inability to relate institutional regulations to measurable economic effects. In the absence of a formal model, both the forces which generate macro-economic variables and the interaction between the economy as a whole and specific policy initiatives remain obscure. The author is unable to derive strong hypotheses that can be tested against available data. Nor is he able to integrate evidence from the different countries. Each chapter tends to become a catalogue of institutional differences over whose significance the reader remains unclear.

Finally, the text should have received rather more careful sub-editing from the publishers. English is not the author's native language and particularly his use of tenses often left me in real doubt as to the meaning of some of his sentences. Nevertheless, in this book, Jan Adam has raised many interesting questions and provided a number of stimulating insights. It should certainly be read by all specialists with an interest in wages and wages policy in Soviet-type economies.

Colchester ALASTAIR MCAULEY

Abouchar, Alan. *Economic Evaluation of Soviet Socialism*. Pergamon Policy Studies, 24. Pergamon Press, New York, Oxford, 1979. xii + 151 pp. Bibliography. Index.

THIS is essentially a collection of essays on the Soviet economy rather than an integrated survey, and it is perhaps not surprising that there is some unevenness in the quality of treatment. The author uses his own work on the Soviet cement industry to excellent effect in his discussion of spatial patterns and levels of efficiency in industry, and the assessment of problems of measurement of Soviet economic growth in chapter 3 is illuminating. Although I was unhappy about the weight placed on wage differentials between capital and non-capital goods industries as a price-forming factor, chapter 7, entitled 'The price mechanism and economic efficiency' provides a salutory antidote to the vulgar neo-classicist approach that underlies much of the western work on the Soviet economy.

The same sureness of touch does not, however, come through in the treatment of the Soviet economic system as a whole. The discussion of 'borrowing', or 'cross-booking', on pp. 87–88 paints a picture of a manager borrowing in order to push up already respectable performance in period t, and paying the price of underfulfilment when he has to 'pay back' in period '$t+1$'. Surely the reality is that managers borrow when they would otherwise unavoidably underfulfil in period t, in the hope or knowledge that in period '$t+1$' they will be able to come up with the extra that would permit them to pay back and still fulfil. Under these circumstances cross-booking at best improves evenness of reported fulfilment, at worst leaves it at an unchanged level. To portray it, as Abouchar does, as a phenomenon tending to destabilize plan fulfilment patterns seems fundamentally misleading. The suggestion on p. 88 that there is no systemic reason for the existence of the spare parts problem in the

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